



PANHANDLE

BENEWAH, BONNER, BOUNDARY, KOOTENAI, & SHOSHONE COUNTIES

LABOR FORCE & EMPLOYMENT

The Panhandle's seasonally adjusted unemployment rate edged down from 9.2 percent in April to 9.1 percent in May. April's weather had been exceptionally cool and rainy, while May's weather was closer to normal. The change in the weather allowed construction and other outdoor work to pick up, easing unemployment slightly.

Nonfarm Payroll Jobs in May 2001 totaled 66,720, almost exactly the same level as in May 2000. May was the first month since March 1987 that *Nonfarm Payroll Jobs* did not exceed their level in the same month the year before. The U.S. economic slowdown teamed up with long-term problems plaguing the lumber and mining industries to slow the Panhandle's economic growth. See Panhandle Table 1 for details.

All *Goods-Producing* sectors had lower employment in May 2001 than the year before. The closure of Sunshine Mine in February caused the loss of more than 200 jobs and pushed Shoshone County's unemployment rate up to 13.6 percent by May. *Construction* employment ran below year-ago levels. The construction slowdown is hitting Bonner County hardest. Low lumber prices and increased imports of lumber from Canada have forced lumber mills to reduce jobs since the spring of 2000.

Although lumber prices rose in recent months, they began falling again in the last few weeks. If they continue to slide, further job losses could follow. In addition, the exceptionally rainy, cool spring extended spring break-up into May this year, idling more loggers than normal in the month of May. After growing strongly into the fall of 2000, *All Other Manufacturing* industries lost jobs in recent months. The U.S. economic slowdown

Panhandle Table 1: Labor Force & Employment

	May 2001*	Apr 2001	May 2000	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	90,550	90,180	87,770	0.4	3.2
Unemployed	8,210	8,260	7,230	-0.6	13.6
% of Labor Force Unemployed	9.1%	9.2%	8.2%		
Total Employment	82,340	81,920	80,540	0.5	2.2
Unadjusted					
Civilian Labor Force	90,320	89,680	87,660	0.7	3.0
Unemployed	7,830	9,480	7,000	-17.4	11.9
% of Labor Force Unemployed	8.7%	10.6%	8.0%		
Total Employment	82,490	80,200	80,660	2.9	2.3
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	66,720	65,370	66,730	2.1	0.0
Goods-Producing Industries	13,530	13,070	14,500	3.5	-6.7
Mining	790	790	1,000	0.0	-21.0
Construction	4,580	4,300	4,760	6.5	-3.8
Manufacturing	8,160	7,980	8,740	2.3	-6.6
Lumber & Wood Products	3,590	3,440	4,180	4.4	-14.1
All Other Manufacturing	4,570	4,540	4,560	0.7	0.2
Service-Producing Industries	53,190	52,300	52,230	1.7	1.8
Transportation	1,490	1,420	1,430	4.9	4.2
Communication & Utilities	1,050	1,030	1,030	1.9	1.9
Wholesale Trade	2,270	2,230	2,340	1.8	-3.0
Retail Trade	15,200	14,790	15,130	2.8	0.5
Finance, Insurance & Real Estate	2,620	2,550	2,490	2.7	5.2
Service & Miscellaneous	16,890	16,780	16,570	0.7	1.9
Government Administration	8,150	7,990	7,740	2.0	5.3
Government Education	5,520	5,510	5,500	0.2	0.4
* Preliminary estimate					
**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month					

has reduced demand for electronics, furniture, and other durable goods. Therefore, Panhandle manufacturers have lost the jobs they gained last summer.

The loss of jobs in high-paying *Goods-Producing* industries curtailed retail growth. In addition, many restaurants, tourist shops, convenience stores, and tourism facilities held off summer hiring as they waited to see what the summer tourist season would bring. Many people are concerned that forest fires, higher gasoline prices, or the shaky U.S. economy could reduce tourism this summer.

The postponement of summer hiring at some tourist facilities is one reason why *Services* employment grew only 1.9 percent over the year. Another reason was the bursting of the Internet bubble, which led to the loss of about 150 dot-com jobs. Another drag on *Services* came from the reduction in employment at temporary agencies that supplied workers to manufacturers. Fortunately, the positives outweighed the negatives. The opening of the Center Partners call center in Coeur d'Alene this March added 300 jobs.

Since May 2000, the Coeur d'Alene Tribe added nearly 100 jobs at its casino near Worley. Private-sector health care providers and social service agencies created about 300 new jobs.

Half of the job growth in *Government Administration* came from beefed-up hiring by the U.S. Forest Service to prepare for what experts say could be the worst fire season in half a century. Expansions by community hospitals and other local government entities explain the other half.

AREA DEVELOPMENTS

Benewah County

- Bobbi Doyse opened a gift shop this spring a mile north of Plummer on Highway 95. The shop features antiques, Western art, crystal art, and collectibles.

Bonner County

- The City of Sandpoint recently received a \$500,000 community development block grant to build a wastewater treatment plant near the Sandpoint airport. The plant will treat wastewater containing butterfat, canola oil, and other byproducts of Litehouse Inc., Sandpoint's largest manufacturer, maker of salad dressings, dips, and sauces. During the last two years, Litehouse has shipped its wastewater to Montana. The total cost of the new wastewater plant will be \$750,000. Litehouse and the city are sharing the costs above \$500,000. The wastewater treatment plant will allow Litehouse and other food processors to expand. Over the next few years, Litehouse plans to build a new plant and create 50 more jobs. Construction of the wastewater plant will start in July.
- Pneumex Inc. recently moved into a new facility at 3115 N. Boyer in Sandpoint. For the last eight years, Pneumex's dozen employees have been located in the Bonner Business Center, the business incubator near the Sandpoint airport. Pneumex, owned by Gerry and Karin Cook, manufactures therapy equipment he designs to treat lower back problems and other conditions relating to the spine. Athletic trainers, physical therapists, chiropractors, and players in the PGA, NHL, NFL, and NBA use Pneumex equipment. Before the move, Pneumex employed about a dozen people. Additional space and growing demand for its product should increase Pneumex's employment during the next year.
- Carol and Gary Kunzeman recently opened Granny Thimble's Quilt Cottage at 1175 Fontaine Drive in Ponderay. The new store sells quilting supplies and offers quilting and sewing lessons.
- A Cost Cutters Family Hair Care Salon opened in late June in the newly "super-sized" Wal-Mart in Ponderay.

Kootenai County

- Kootenai Medical Center, the community hospital in Coeur d'Alene, plans to remodel its inpatient sur-

gery center and enlarge its pharmacy. The \$3 million construction project is slated to begin this fall and to be completed in early 2002.

- The town of Harrison on Lake Coeur d'Alene recently welcomed a new store owned by five local artists. The Blue Heron features floral arrangements by June McClain, bath products by Laurie Edmonds, birdhouses by Rick Voss, clothing and bags by Jan Voss, and wildlife sculptures by Vicki Fay. Other local artists sell handcrafted items by consignment at the gift shop.

Shoshone County

- The price of silver continues to fall. In 2000, it peaked at \$5.53 per troy ounce in February. It fell to \$4.60, its lowest level of the year, by the end of December. In mid-June, it was \$4.45.
- The falling price of silver forced the closure of the Sunshine Mine four months ago. Now, it is threatening the continued operation of one of the two mines that remain open in Shoshone County. The jobs of the 185 people who work at the Lucky Friday mine near Mullan are hanging in the balance. At the current price of silver, the Lucky Friday is not profitable.
- The mine's owner, Coeur d'Alene-based Hecla Mining, must make a critical decision in the next few months. To continue operations in the long run, Hecla must make a \$6 million ramp to access the next level of ore. Without the ramp, the mine will run out of ore in about two years. The next level is 5,700 feet below the surface, and the ramp will take a year to complete. Ideally, ramp construction should start in January to guarantee continuous operation of the mine. Hecla currently is assessing the costs and benefits of the ramp, and the Silver Valley is waiting anxiously for Hecla's decision, to be announced in early August.
- Meanwhile, the Silver Valley is struggling with the ramifications of Sunshine's closure. Many families are choosing to move out of the valley. Dozens of former Shoshone County miners now work at the Stillwater mine near Nye, Montana. Many are commuting—working seven days at the mine and spending the next seven with their families in Shoshone County. Some other Shoshone County residents are choosing to move, because they believe employment opportunities are drying up. More than 600 houses in Shoshone County are listed for sale. The 2000 Census counted 5,906 occupied housing units in Shoshone County.

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